

# JOINT LEGISLATIVE OVERSIGHT COMMITTEE



## Medicaid Updates

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**Dr. Robin G. Cummings**  
**Secretary for Health Services and**  
**Medicaid Transformation**

**Acting State Health Director**

**March 12, 2014**

# **JOINT LEGISLATIVE OVERSIGHT COMMITTEE**



## **NC Medicaid Operations Supporting Contracts**

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**Rod Davis**  
**Chief Financial Officer**

**March 12, 2014**



## N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Navigant

#### **DMA Program Integrity**

Work with DMA to  
assess, reorganize and  
retool DMA Program  
Integrity and Audit to  
improve detection of  
fraud, waste and abuse.

### Expectations

- Increase efficiency of appropriate processes and outcomes
- Continually update analytical procedures for national and regional trends and experiences
- Timely use of system technology

### Progress

- Work plan has been delivered and approved
- Currently assessing organizational structure and relationships



## N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Alvarez & Marsal

#### **DMA Organizational Design**

Work with DMA to improve administration of a highly complex Medicaid program.

### Expectations

- Identify appropriate and efficient processes and tools
- Identify resources needed to support a transformed Medicaid division

### Progress

Currently working with budget, forecasting, and cash management, including data issues and processes that have been major hurdles

# **JOINT LEGISLATIVE OVERSIGHT COMMITTEE**

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## **Medicaid Eligibility Extension Related to MAGI**

## **New Regional Base Rates for Hospitals**

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**Sandra Terrell**

**Acting Medicaid Director**

**March 12, 2014**



# **Update on Medicaid Eligibility Extension Related to MAGI**

- Exploring options with federal Centers for Medicare and Medicaid Services (CMS) for addressing the significant workload issues faced by counties processing Medicaid applications
- This update covers processing recertifications using 2013 state eligibility criteria



# **Process Recertifications Using 2013 State Eligibility Criteria**

- Affordable Care Act (ACA) requires that Modified Adjusted Gross Income (MAGI) rules be applied to recertifications effective April 1, 2014
- DHHS plans to request from CMS a relaxation of federal standards to process applicable recertifications under the MAGI rules.
  - The request will allow counties to process recertifications under state rules first, and then for those who do not qualify under the state rules, they would be processed under MAGI rules.
- CMS has indicated approval of this option for at least one other state.
- Allows counties to continue these cases in the legacy system and provides NC the opportunity to fully develop and test NC FAST with pilot counties.



# **Tool to Mitigate Backlog**

- Reduces workload of Division of Social Services' caseworkers
- Cases for individuals enrolled in Medicaid and due for certification already exist in the legacy system
- To recertify in NCFAST, a new application must be entered
- Processing an existing recertification in the legacy system would reduce the amount of manual data entry required to address the backlog
- Once enrolled, the files can eventually be transferred to NCFAST and the next recertification would be done in the new system





## **Fiscal Impact**

- Income standards are budget neutral between MAGI v. state rules, but there are income types that are no longer countable under MAGI rules
  - Veterans' Affairs benefits
  - child support
  - worker's compensation
  - Some child's income
  - Decrease in self-employment income
- Therefore, the state does not anticipate a fiscal impact in processing recertifications using 2013 state rules first



**N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

# **Update on Development of New Regional Base Rates for Hospitals**

S.L. 2013-360, SECTION 12H.20.(b) The Department of Health and Human Services, Division of Medical Assistance, shall replace the existing base rates for individual hospitals with new regional base rates for all hospitals within a given region. The Department shall consult with hospitals to define the regions and to identify appropriate regional differences in order to establish regional base rates. The new regional base rates shall do the following:

- (1) Maintain the same statewide total for the base rates for all hospitals as before the base rate revision, after first adjusting the statewide total based on the changes to rates made by subsection (a) of this section.
- (2) Ensure the sustainability of small rural hospitals, ensuring access to care.



# **Update on Development of New Regional Base Rates for Hospitals**

- Future implementation will require collaboration between DHHS and the NC Hospital Association and other stakeholders
- Any changes would require
  - a State Plan Amendment
  - changes to NCTracks
  - an impact analysis conducted for its impact on the hospital assessment plan (i.e., GAP plan)

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## **Behavioral Health Clinical Integration with CCNC -- Update**

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Courtney Cantrell, PhD

Policy Advisor for Integrated Care

March 12, 2014



## **S.L. 2013-360, 12F.4A**

- (a) “Total Care” activity implementation
- (b) Claims data sharing
- (c) Quality and performance statistics
- (d) Contractual alterations
- (e) Semi-annual legislative report



## N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Total Care

- Target Population: High ED utilizers with mental illness and chronic health conditions
- Defined Minimum Interventions
- Outcomes to Measure
- RFP Process

### Claims Data

- Manual Solution
  - July paid claims
  - August through December
- Automated Solution



## **N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES**

### **Quality/Performance**

- Under Development
- Spring 2014
- Implementation

### **Legislative Report**

- Submitted March 1<sup>st</sup>

### **Contractual Alterations**

- None Required